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Plum Creek

Growing Value from Exceptional Resources

SENATE TAX

Exhibit No. 6
Date 2-4-2015
Bill No. SB 157

February 3, 2015

Senator Bruce Tutvedt
Chairman, Senate Taxation Committee
Montana State Legislature
Helena, Montana

RE: Plum Creek Opposition to SB 157 to Revise Property Tax Laws

Dear Senator Tutvedt:

We appreciate the opportunity to comment on SB 157 and express our opposition to this proposed legislation. Plum Creek Timber Company owns 888,000 forestland acres in northwestern Montana as well as four wood-processing facilities in the Flathead Valley. We have witnessed first-hand the decline of our industry as evidenced by the number of mill closures in the last few years (including two of our sawmills).

Plum Creek opposes the shorter reappraisal cycle (2-year cycle instead of 6-year) proposed under SB 157 because it is a costly and inefficient use of tax payer funds. It will be very costly for the government to fund and manage the increased staff and workload. It will be equally costly for landowners to track the valuation changes and potentially file appeals in several years over the cycle rather than just one appeal to cover all six years. We do not support the move towards a 2-year reappraisal cycle.

While we are sensitive to the needs of local governments, we are also mindful of the great challenges to our business. This industry is still moving through a significant down-turn in the business cycle since 2008 and the proposed assessment ratio increase (from .29% to .59%) is now another obstacle in the path. We are concerned that the goal of SB 157 is to maintain tax collection levels on each property tax group without regard to real declines in ad valorem values.

Please accept our concerns with SB 157 and understand our desire to work on solutions that help set our forestlands back on solid economic footing and thereby increase local funding in the process (a rising tide lifts all boats).

Sincerely,

Tom Ray

6

Mark Baker

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